

Testimony of

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before

Energy and Technology Committee

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regarding

Raised Bill No. 1141

An Act Concerning Net Metering

## ***Introduction***

The Connecticut Center for Advanced Technology, Inc. ("CCAT"), offers this testimony for Raised Bill No. 1141 - An Act Concerning Net Metering.

CCAT is a nonprofit corporation that provides services and resources to entrepreneurs and businesses and, through collaboration with industry, academia, and government, helps companies innovate and compete, thereby strengthening our nation in the global market. The Energy Initiative of CCAT has been established to improve the economic competitiveness of the region through solutions that lower energy costs and increase long-term energy reliability. CCAT administers the Connecticut Hydrogen-Fuel Cell Coalition; provides assistance to small and medium sized manufacturers to assess opportunities for the application of advanced distributed energy technologies, such as combined heat and power systems; undertakes energy planning; and promotes renewable energy, including fuel cells and sustainable fuels.

This Bill contains provisions that are favorable to the development and use of Class I renewable energy including fuel cells and advanced technologies that are or could be made in Connecticut. The components of this Bill that appear favorable include:

- ***Flexible implementation:***

The proposed Bill provides an opportunity to develop Class I renewable facilities in locations that may have appropriate renewable energy resources, but lack electric demand sufficient to realize the total benefits of net metering.

- ***Provides opportunities for Class I renewable energy sources for customers:***

Customers that develop Class I renewable energy facilities would be able to assign credits for the unused electricity produced to certain customers, such as public housing, non-profits, and municipal retail customers.

- ***Confirmed return for renewable energy produced:***

The proposed Bill provides that the Class I renewable electricity produced in excess of the customer's electric demand and assigned a virtual net metering credit will be compensated at retail rates. Such compensation could provide favorable terms for private investment to encourage renewable energy project development.

- ***Promote the development and use of Class I renewable energy capacity:***

This Bill would provide an incentive that could facilitate the development of Class I renewable energy sources to meet municipal renewable energy goals and Connecticut's renewable portfolio standards (RPS) requirements.

- ***Effective merger of energy management with environmental benefits:***

The development of Class I renewable energy facilities will provide additional public dividends to improve air quality. For example, the potential average annual emissions reductions for each MW of fuel cell capacity, compared to existing New England fossil fuel electric generation, would be approximately 8,750 lbs of NO<sub>x</sub>, 32,000 lbs of SO<sub>x</sub>, and 7 million lbs of CO<sub>2</sub>.

- ***Create jobs and encourage economic development:***

Development of renewable energy facilities will create jobs and increase opportunities for economic development. For example, if fuel cells were used to generate the Class I renewable energy, each MW of fuel cell capacity manufactured in the state and deployed at customer host sites in Connecticut could generate additional manufacturing jobs and gross state product.

CCAT does have concern that the concept could be misused with the development of renewable generation in areas without adequate transmission or distribution resources to connect numerous end users. Such development may strain the grid and impose an undue cost on the rate base and its customers. For this reason CCAT suggests that the Committee consider limiting the access to a finite number of customers, perhaps as low as a single customer, restrict the usage to a public or non profit use, such as a municipality or other public function; and develop a process to

engage the electric distribution company to review and allow regulators an opportunity to limit such development in areas that do not have the ability to interconnect and transfer the power to other areas.

### *Conclusion*

CCAT is supportive of the concepts raised in this Bill that would encourage the development of Class I renewable energy resources, including fuel cell technology, in the State. The proposed Bill would increase the amount of Class I renewable facility development in the state. Such development would support the state's RPS requirements, help to meet greenhouse gas reduction goals, provide high economic value to ratepayers, and create jobs.

CCAT will make itself available to the Committee and legislature upon request to assist in the refinement of this legislation.

Respectfully submitted,

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